

JAP:JRL

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

12 M 688

- - - - - X

UNITED STATES OF AMERICA

- against -

COMPLAINT AND AFFIDAVIT
IN SUPPORT OF
APPLICATION
FOR ARREST WARRANT

GLORIA JEAN DONOGHUE,

Also known as

(T. 18, U.S.C., § 287)

"Gloria Donoghue-El," and

"Gloria Jean Pruitt Donoghue-El,"

Defendant.

- - - - - X

EASTERN DISTRICT OF NEW YORK, SS:

JACQUELYN MCCLELLAND, being duly sworn, deposes and states that she is a Special Agent with the Internal Revenue Service, Criminal Investigation ("IRS"), duly appointed according to law and acting as such.

On or about January 30, 2012 and January 31, 2012, within the Eastern District of New York and elsewhere, the defendant GLORIA JEAN DONOGHUE, also known as "Gloria Donoghue-El" and "Gloria Jean Pruitt Donoghue-El," made and presented to the United States Department of the Treasury claims against the United States for payment of three refunds of taxes in the amounts of \$300,000, for a total of \$900,000, which she knew to be false and fictitious.

(Title 18, United States Code, Section 287).

The source of your deponent's information and the grounds for her belief are as follows:¹

1. I am a Special Agent with IRS, Criminal Investigation and have been involved in the investigation of numerous cases involving tax crimes. I am familiar with the facts and circumstances set forth below from my participation in the investigation; my review of the investigative files, including the defendant's relevant conduct; discussions with others who have been involved with the investigation; and from reviewing the subject's bank records depicting the disbursement of fraudulently obtained funds.

2. In or about 2010, GLORIA JEAN DONOGHUE completed an IRS Form SS-4, Application for Employer Identification Number, to obtain another employer identification number (EIN)² on behalf of the GLORIA DONOGHUE TRUST. In part, GLORIA JEAN DONOGHUE provided information to the IRS that the trust was located in Washington, D.C., the business was started in January 2007, DONOGHUE was the trustee of the trust, and that the mailing address was 6101 16th Street NW, Apt. 616, Washington, D.C.

¹ Because the purpose of this Complaint is to set forth only those facts necessary to establish probable cause to arrest, I have not described all the relevant facts and circumstances of which I am aware.

² An EIN is used to identify an entity, and is used in connection with the filing of tax returns.

20011. The IRS issued the GLORIA DONOGHUE TRUST an EIN 27-6581327.

3. On or about January 31, 2012, GLORIA JEAN DONOGHUE prepared and caused to be filed a 2009 IRS Form 1041, U.S. Income Tax Return for Estates and Trusts, in the name of GLORIA DONOGHUE TRUST and listing herself, Gloria Donoghue, as the fiduciary and trustee. The address notated on the tax return is 96 Manhattan Avenue, Roosevelt, New York, 11575. In part, the return lists income totaling \$900,000; federal income tax withheld totaling \$300,000; and requests a refund for those withholdings in the amount of \$300,000. The return is signed under penalties of perjury reflecting "Gloria Donoghue, ttee" and is dated January 31, 2012.

4. Because GLORIA JEAN DONOGHUE filed the aforementioned 2009 Form 1041, the U.S. Department of the Treasury FMS issued U.S. Treasury check #3158 16404079, in the amount of \$300,000 and dated March 20, 2012 to GLORIA DONOGHUE TR., GLORIA DONOGHUE TTEE. This check was sent through the U.S. Postal Service mail to GLORIA JEAN DONOGHUE's address in Roosevelt, New York. The refund was based on the false 2009 Form 1041 filed with the IRS.

5. On or about January 31, 2012, GLORIA JEAN DONOGHUE prepared and caused to be filed a 2010 IRS Form 1041, U.S. Income Tax Return for Estates and Trusts, in the name of GLORIA

DONOGHUE TRUST and listing herself, Gloria Donoghue, as the fiduciary and trustee. The address notated on the tax return is 96 Manhattan Avenue, Roosevelt, New York, 11575. In part, the return lists income totaling \$900,000; federal income tax withheld totaling \$300,000; and requests a refund for those withholdings in the amount of \$300,000. The return is signed under penalties of perjury reflecting "Gloria Donoghue, ttee" and is dated January 31, 2012.

6. Because GLORIA JEAN DONOGHUE filed the aforementioned 2010 Form 1041, the U.S. Department of the Treasury issued U.S. Treasury check #3158 14697024, in the amount of \$300,000 dated March 13, 2012 to GLORIA DONOGHUE TR., GLORIA DONOGHUE TTEE. This check was sent through the U.S. Postal Service mail to DONOGHUE's address in Roosevelt, New York. The refund was based on the false 2010 Form 1041 filed with the IRS.

7. On or about January 30, 2012, GLORIA JEAN DONOGHUE prepared and caused to be filed a 2011 IRS Form 1041, U.S. Income Tax Return for Estates and Trusts, in the name of GLORIA DONOGHUE TRUST and listing herself, Gloria Donoghue, as the fiduciary and trustee. The address notated on the tax return is 96 Manhattan Avenue, Roosevelt, New York, 11575. In part, the return lists income totaling \$900,000; federal income tax withheld totaling \$300,000; and requests a refund for those

withholdings in the amount of \$300,000. The return is signed under penalties of perjury reflecting "Gloria Donoghue, ttee" and is dated January 30, 2012. The return was mailed to the IRS from Roosevelt, New York on February 8, 2012 with a return address label of GLORIA DONOGHUE-EL, 96 Manhattan Avenue, Roosevelt, NY 11575.

8. Because GLORIA JEAN DONOGHUE filed the aforementioned 2011 Form 1041, the U.S. Department of the Treasury issued U.S. Treasury check #3158 14697025, in the amount of \$300,000 dated March 13, 2012 to GLORIA DONOGHUE TR., GLORIA DONOGHUE TTEE. This check was sent through the U.S. Postal Service mail to DONOGHUE's address in Roosevelt, New York. The refund was based on the false 2011 Form 1041 filed with the IRS.

9. As detailed below, GLORIA JEAN DONOGHUE knew the trust did not have federal income tax withheld from the GLORIA DONOGHUE TRUST totaling \$300,000 in any year, specifically 2009 through 2011. IRS records reflect that no tax was withheld and paid over for the GLORIA DONOGHE TRUST in 2009, 2010, or 2011. Based upon my training and experience, IRS records would reflect if tax had actually been withheld based upon an entity's receipt of income. Moreover, GLORIA JEAN DONOGHUE did not provide any supporting documentation to validate the income, deductions, or

withholdings she claimed on the tax returns.³ While IRS records show no withholdings for 2009, 2010, or 2011, the Forms 1041 submitted by GLORIA JEAN DONOGHUE indicate that \$300,000 was withheld in each year.

10. Each of the three (3) aforementioned U.S. Treasury checks were negotiated by GLORIA JEAN DONOGHUE at Citibank, N.A., Citibank Financial Center #220, 180 W. Merrick Road, Freeport, NY 11520 which is located in the Eastern District of New York. On or about March 19, 2012, GLORIA JEAN DONOGHUE opened a bank account in the name of GLORIA DONOGHUE TRUST, GLORIA DONOGHUE TRUSTEE, with account number ending x6888. She is the only signatory on this account. That same day, she deposited two (2) U.S. Treasury checks for a total deposit of \$600,000. On the same date, GLORIA JEAN DONOGHUE conducted a cash withdrawal in the amount of \$100,000 from the trust account followed by a deposit into her personal checking account in the name of GLORIA DONOGHUE, account number ending x8402, in the amount of \$85,000 and a deposit into her personal savings


³ GLORIA JEAN DONOGHUE did not apply for the GLORIA DONOGHUE TRUST EIN (#27-6581327) until 2010. However, she used this EIN to file the 2009 Form 1041 on behalf of the trust claiming income, expenses, and withholdings for the 2009 tax period. GLORIA JEAN DONOGHUE listed the date the entity was created on the trust tax returns as her 1948 date of birth. When applying for the EIN, DONOGHUE provided information to the IRS that the trust start date was 2007. Previously, in connection with a 2005 Form 1041, DONOGHUE used a different trust EIN.

account in the name of GLORIA DONOGHUE, account number ending x8496, in the amount of \$15,000. DONOGHUE is the only signatory on these accounts. On March 26, 2012, GLORIA JEAN DONOGHUE deposited the remaining U.S. Treasury check totaling \$300,000 into the GLORIA DONOGHUE TRUST account.

11. GLORIA JEAN DONOGHUE is the only signatory on the GLORIA DONOGHUE TRUST, GLORIA DONOGHUE TRUSTEE account, Citibank account number ending x6888. DONOGHUE is also the only signatory on the GLORIA DONOGHUE checking and saving accounts, Citibank account numbers ending x8402 & x8496, respectively. Statements for all three (3) accounts are mailed to DONOGHUE at 96 Manhattan Ave., Roosevelt, New York 11575-2418.

12. Based upon my review of the Treasury checks negotiated at Citibank and my review of the Forms 1041 filed for 2009, 2010, and 2011 discussed above, the signatures appear to belong to the same person.

WHEREFORE, your deponent respectfully requests that a warrant be issued for the arrest of the defendant GLORIA JEAN DONOGHUE, also known as "Gloria Donoghue-El" and "Gloria Jean Pruitt Donoghue-El," so that she may be dealt with according to law.



JACQUELYN MCCLELLAND
Special Agent
IRS-Criminal Investigation

Sworn to before me this
20th day of July, 2012

EIN
E